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said to be approximately five thousand, which was the largest number of employees for any one enterprise in Dairen. A weakness in the personnel set-up was the very frequent removal of Soviet personnel and the lack of close contact between the Soviets and the Chinese personnel. [redacted] in this regard the railroad shops in Dairen were superior. In 1951 Daldock was reorganized and became a mixed Sino-Soviet company on a 50-50 basis. The Chinese brought into the enterprise one or two additional small shipyards situated northwest of Daldock. [redacted] 25X1

[redacted] one of these shipyards was the one that had belonged to the former Soviet fishing company called "Kwantung Riba." This latter organization had already become a Sino-Soviet firm, or perhaps even a purely Chinese company as had Factory No 17. In peacetime there were one or two shipyards for repairing and building small craft used mostly for fishing or for coastal trade. [redacted] 25X1

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5. Machine Plant No 18 was formerly the main part of the Dairen Kikai works. It is situated just opposite No 17 on the same street, on the eastern side of the street. Just as Factory No 17, No 18 came under the jurisdiction of the Machine Building Department of the Northeastern Industrial Administration in Mukden. In 1945 this factory underwent very extensive dismantlement, looting, and destruction. It had been the largest machine factory in Dairen (with the exception of the railway shops and Daldock), with new heavy equipment set up for varied products. Nearly all the heavy modern equipment was dismantled and taken to Vladivostok. Materials were stolen by Soviet Army units for Army needs and what remained was stripped by Chinese mobs. Some machines and materials wound up in privately owned Chinese shops. Wood from the frames of the roofs, windows, and doors found itself in the stoves of the local Chinese population. [redacted] 25X1

In 1948 it was organized as a small shop to produce submachine guns of Soviet design. [redacted] 25X1

The office

of Factory No 17 was located on the second floor of a building. The first floor housed the offices of No 17. [redacted] 25X1

[redacted] There were no Soviet or Russian personnel connected with No 18, but there were two German engineers who were Dairen residents. [redacted] 25X1

No 18 received orders for steam rollers. [redacted]

[redacted] They were in running order. In 1949 and 1950, Factory No 18 received some new machines from the USSR. [redacted] among these were two large boring machines [redacted] 25X1

[redacted] with diameter of work of one meter. One had already been spoiled by mishandling. Some time in 1949 all German civilians were shipped back to Germany by sea and after this there were no Europeans connected with No 18. [redacted] It was managed by a purely Chinese staff. [redacted] 25X1

The production prior to 1952 for Factory No 18 included the production of railroad freight cars of standard gauge. There was talk of joint work by Factories No 17 and 18 on this order. In the fall of 1951 and in early 1952, after Factory No 17 had been completely turned over to Chinese authorities, it became very likely that Factory No 17 and 18 were to be united. [redacted] there was a psychological obstacle to this. There were many local Russians on the staff of No 17 and qualifications of the Chinese staff of No 18 were inferior, so that a union between the two plants would have been tantamount to an absorption of No 18 by No 17. [redacted] 25X1

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[redacted] one of them made crucible steel. [redacted] in this plant not only melting processes were utilized but also rolling, forging, and wire drawing. [redacted] Factory No 17 gave this plant some wire 6.5 mm in diameter to be drawn out to diameters of four and five mm. [redacted]

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[redacted] The other plant was smaller and with more primitive equipment. Nevertheless, in cooperation with some other plants (not with No 17) the factory accepted an order to produce steam rollers. The factory could do it by using the riveting process, utilizing either the necessary air pressure or electric tools, if they had them, or by working by the old hand process. Some mechanical work was done in the shops of the Dairen port which had some equipment for producing mechanical and electrical items (mostly for its own use and for repair work). There were many private Chinese mechanical plants situated in the west and northwest section of New Chinatown in Dairen. They used equipment which came from looted Japanese factories. These plants were not large, perhaps about 50 workers each, but they had skilled workmen and very capable foremen who could easily adapt themselves to any order received. In early 1952 there were still many of these small factories left, because the Chinese government did not permit the closing of such plants and forced the owners to pay wages even if there were no orders. This was one method utilized by the Communists to destroy privately owned industry, as permission to close the plant was usually granted after the owners had spent all their money and had sold all their belongings to pay wages, and had thus been forced into a "proletarian" status.

7. [redacted] two main electrical equipment manufacturing plants. In 1949 and 1950 [redacted] they both belonged to DALENERGO. One produced electric bulbs. Under the Japanese it had been a subsidiary of "Manden," the Manchurian Electric Company. This plant was rehabilitated in 1945-46 and was expanded to some degree. It received some new machines [redacted]

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Factory No 17 built and welded some things for them, such as a new gas tank and frame construction. The plant was located in the northwest part of Dairen, near to the plate glass plant of DALENERGO. The electric bulb plant's location was south of the main railway line between Sha ho kou station and the second viaduct to the east (the first viaduct was on the grounds of the Sha ho kou station). The Russian name of the plant was "Elektro-Lampovii Zavod." The manager of this plant was always a Soviet person. Some local Russians were employed at the plant. The remainder of the workers were Chinese, many of them girls. This factory did not have more than 150 workers. It received vanadium filament from the USSR, nitrogen and caps for bulbs from No 17. The plant produced the glass itself from local materials. Its production was used in the Kwantung Leased Territory. After the collapse of the Chinese Nationalist Army [redacted] the plant's production was used in Manchuria generally. During the years 1945-49 every passenger ship which left Dairen took a cargo of bulbs to Vladivostok. [redacted]

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[redacted] Production consisted of: normal bulbs of 100 watts, large bulbs up to 250 watts, and small bulbs for motor cars. [redacted]

Factory No 17 delivered to the electric bulb plant three kinds of caps: normal or Edison type; large screw-shaped caps; and small caps with small brads which were called [redacted] the Stevenson type. The second electrical equipment plant was the Electric Motor Factory or in Russian "Elektro-Motornii Zavod."

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[redacted] the plant [redacted] the plant belonged to DALENERGO. [redacted]

plant resulted from an amalgamation of two subsidiaries of "Manden," the Manchurian Electric Company: a radio repair shop and a shop repairing motors and transformers. [redacted]

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[redacted] From the beginning, the main task of this plant was to repair transformers, motors, and dynamos. They kept doing this work all the time. They also at times participated in larger repairs, such as taking part in the rehabilitation of electric power plants and substations. [redacted] this plant produced: many kinds of plugs, switches and sockets (the plant initially used its own stock of bakelite and later received it from the USSR); two - five and later 10-horse power electric motors (castings for the bodies of these motors were initially received from No 17, later the plant acquired its own small

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foundry, all other materials came from the USSR); transformers of 20 kw, 50 kw and 100 kw (bodies for the transformers were ordered from No 17, oils and iron sheets were received from the USSR; [redacted] they used only special 25X1 very soft iron sheets and did not utilize stainless steel). The personnel of this plant totalled about 400 in 1951 when the plant belonged to DALENERGO. The manager was a Soviet engineer but not highly trained. Some local Russians were employed as technicians and office workers. Among the Chinese workers there were many girls. [redacted]

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8. In regard to munitions,

[redacted] Factory No 17 produced two parts for the "Faust Patron," an anti-tank weapon similar to a small bazooka. However, the main part of this order had been placed with several Mukden factories. [redacted]

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[redacted] Factory No 18 in 1948 and 1949 produced submachine guns of Soviet design.

9. In regard to the automotive industry

[redacted] Factory No 17,

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[redacted] produced some pistons, piston rings, shafts, and tools for motor cars and trucks. The largest repair shop for cars and trucks was that of the transportation department of DALENERGO, which was situated in the beginning of the same street on which were located Factories No 17 and 18. This repair shop was close to the premises of the Amanagawa electrical plant. The buildings of the repair shop had formerly served as a depot for buses. During the Korean War all new trucks just received from the USSR were sent to Korea, along with their drivers, whether those drivers wished to go or not. [redacted] 25X1